

The complaint

G, a limited company, complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY acted unfairly in its decision to withdraw G's banking services. It complains that its overdraft facility wasn't renewed, and that it has been asked to repay the outstanding balance in full. G also complains that a since resigned director was left as signatory to its accounts.

What happened

G took out an overdraft facility with NatWest in 2023. G held more than one account with NatWest and the facility was applied to an account which had been used to repay previous lending. G said it moved the funds from that account to its main account, which it used for general trading. G then set up a repayment from its trading account to the account with the overdraft for around £417 each month.

In 2024, NatWest told G it wouldn't be renewing its overdraft and so G was passed to NatWest's Specialised Business Management (SBM) team to review and agree payment options. G complained to NatWest about its actions here, specifically its decision to not renew the overdraft, and G's concerns that the overdraft had been set up on the wrong account. NatWest issued its final response, though this decision doesn't deal with those matters as a previous decision found these complaint points to have been brought to our service out of time.

To assess affordability of repayment options, NatWest contacted the signatory it held for G. However, the contact it had was for a director which had resigned from the company. NatWest sent a mandate form to the previous director so he could remove himself from NatWest's systems, and add the current director – Mr C.

NatWest spoke with Mr C to ask for his and G's financial information. A deadline was given for response. However, Mr C didn't provide the information NatWest had asked for and so NatWest wrote to him with formal demand letters, giving notice that it would be removing G's banking services, and demanding payment for the outstanding overdraft debt.

Mr C contacted NatWest to complain on behalf of G again. This complaint was in relation to the demand letters NatWest had sent, its lack of contact with Mr C, and its contact with G's resigned director. He also complained about the level of information NatWest's SBM team had asked for, including Mr C's personal financial information. He asked NatWest if a payment plan could be agreed and whether G's accounts could be kept open.

NatWest responded to G's complaint. It said NatWest's records showed the resigned director was the sole signatory on the account. It said NatWest had previously explained how he could be removed from the account, and had sent the necessary document, but said it hadn't received a response.

It noted that the SBM team had discussed the accounts with Mr C, but this was due to him being listed on Companies House as a director. It added that any notices it issued were regulatory and needed to be sent to the person named on the account. It explained the SBM

team had to take full financial information, including personal income and expenditure, to make sure any payment plan it set up was affordable to avoid any further financial difficulty.

It said that when a business was moved to SBM because of financial difficulty, all of its accounts are moved. And if agreement can't be reached to repay a debt, it could close all accounts and transfer to a recoveries team to deal with the debt.

As the information it had asked Mr C to provide wasn't received in time, it started the process to close G's accounts and recover the outstanding debt. It noted that some documents were later received from Mr C, and that NatWest had tried to get in touch to discuss them, but Mr C didn't respond and so formal demand letters were sent.

Mr C, on behalf of G, wasn't satisfied with NatWest's response and brought G's complaint to our service. Our Investigator found that G's complaint about NatWest's not renewing G's overdraft, and that the overdraft had been set up on the wrong account had been brought out of time. I issued a decision on that matter which agreed with the Investigator's findings, and so, as mentioned, those complaint point won't be dealt with here.

Our Investigator considered the rest of G's complaint but didn't uphold it. She didn't think NatWest had done anything wrong in asking for the outstanding balance once it had decided it wouldn't renew the overdraft. She acknowledged G's offer to pay £500 each month to repay the debt, but said the income and expenditure information NatWest required hadn't been provided for assessment by NatWest. She saw evidence of a call with Mr C where NatWest explained the consequences of not providing the information it had asked for and so she didn't think it was unreasonable for NatWest to have issued its formal demand letters. The Investigator said that as NatWest's policy was to default the whole relationship when a default occurred, and that it was reasonable to check Mr C's affordability (as well as G's), she couldn't see that NatWest had done anything wrong.

Finally, the Investigator could see NatWest had sent the link and forms to the resigned director and Mr C to update the signatory records, but couldn't see this had been actioned. Because of this, she didn't think NatWest had acted unfairly in its contact with the previously active director.

Mr C responded on behalf of G with further points. He said he provided his personal income and expenditure, but not within the timescales NatWest had given. He pointed out that the request had come within holiday season, which compounded the time restraints in compiling the information. Mr C said he never received a call, voicemail, or text from NatWest following the submission of his documents and so he didn't know he needed to get back in touch with NatWest. He said he had replied to all calls and letters he had received and had given NatWest all of the information it had asked for.

As no agreement could be reached, the case was passed to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I won't be upholding this complaint. I realise this will be a disappointing for G's director and so I've given my reasoning below.

As mentioned above, I haven't considered the fairness of NatWest choosing not to renew G's overdraft facility as part of this decision. Nor have I considered whether the facility should have been set up a different account. But I *have* thought about NatWest's demand for

repayment.

Overdrafts are intended for short term borrowing and are repayable on demand. This means it was open to NatWest to ask G to repay the overdraft in full. Because of this, I've thought about the fairness of NatWest's decision in this regard, as well as its comments around removing G's banking services.

The evidence available to me shows NatWest spoke with Mr C on 25 June 2024 and asked for the income and expenditure details for G and himself. This was to facilitate the agreement of a suitable repayment plan. NatWest gave Mr C until 9 July 2024 – two weeks – to provide this information. I can't see that items relating to G or Mr C were provided before the deadline, but NatWest's notes show Mr C got in contact to say he would aim to provide the information by 15 July.

I can't see that anything was sent to NatWest by 15 July, but Mr C provided some financial information on 1 August. NatWest's notes show it wrote to the primary contact it had for G, and tried to call the numbers it had to discuss the information Mr C provided. As it didn't receive a response, it issued its formal demand letters on 28 August 2024. As a result, I can't say NatWest didn't allow G sufficient opportunity to agree an affordable repayment plan.

Mr C maintains he didn't receive a call from NatWest around this time, and it's unclear as to why this might be. However, I'm satisfied from NatWest's system information, which shows calls were made, that it's more likely than not that contact was attempted by NatWest. Mr C has said the time of year made it difficult to respond to NatWest, but G – a limited company – is the complainant here, not Mr C. So while I acknowledge Mr C's point, I don't consider the time of year sufficient mitigation for a limited company not complying with what I believe were reasonable requests from NatWest.

It follows that I can't fairly say that NatWest was wrong demand the full repayment of the outstanding overdraft balance. NatWest told Mr C in its final response from October 2024 that when an agreement can't be reached to repay a debt within SBM, NatWest could close all accounts. It explained this is essentially what had happened, resulting in its 'Formal Demand' letters, issued in August 2024. Given the chronology detailed above, I think NatWest did as much as I would have expected to reach an agreement before notifying G it planned to remove its banking services.

Finally, I've thought about NatWest's contact with G's resigned director. I can see from NatWest's notes that this was as a result of the director being listed as the sole signatory and primary contact on the account. Information was given to the signatory, and Mr C, on how to correct this issue. And so I don't think it would be fair to hold NatWest responsible for the records having not been amended prior to the resigned director, or Mr C, complying with NatWest's ask in that regard.

So while I empathise with G's situation, and with the submissions Mr C has made, I can't fairly say that NatWest has done anything wrong in relation to the complaint points I've considered in this decision. Because of this, I'm unable to direct NatWest to do anything in relation to those issues.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 10 November 2025.

James Akehurst
Ombudsman